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### **2018-19 Fiscal Monitoring Process**

School Improvement Grant (SIG), Persistently Struggling Schools Grant (PSSG) and Community Schools Grant (CSG) recipients are required to complete the Budget/Fiscal section of Quarterly Reports (schools in receivership) and Mid-year reports (non-receivership SIG-funded schools). In the Budget/Fiscal section, the grantee discusses the status of drawing down of grant funds for the period covered in the report; and identifies any challenges that exist with the budget that may impact the implementation of approved activities and intended outcomes.

In addition to grantees completing the Budget/Fiscal section of the reports, Office of Innovation and School Reform (OISR) staff members conduct the following fiscal monitoring throughout the entire grant award period. They review and approve the following forms beginning with the initial full-year budget period, and then for all budget periods to follow. Staff members review these forms to ensure that requested expenses are reasonable, allocable, and allowable.

1. **FS-10 budget form:** The FS-10 is required with each application and/or continuation plan. Requests are to be aligned to the activities described in the grant plan. Grantees must comply with the Allowable Expenses' section of each grant application associated with their grant award. FS-10s are accompanied by Budget Narratives which provide details of each expense.
2. **FS-10A amendment form:** FS-10A are required for some changes to the FS-10s; and these requirements are provided by the Grants Finance Office. When a grantee requests to amend its FS-10 it is required to explain why an expense is no longer needed, and how the new requested expense is aligned to the grant plan.
3. **FS-10F final form:** Grantees submit these forms to the Grants Finance Office at the end of each budget period. OISR staff will schedule a meeting with the Grants Finance Office to discuss the review and approval process of these forms to ensure that only allowable expenses have been paid from grant funds.

The above-mentioned forms are posted at: <http://www.oms.nysed.gov/cafef/forms/>.

During on-site receivership school monitoring, the OISR staff members will review the following for any applicable grants to ensure that requested expenses are reasonable, allocable, and allowable.

1. **Employee Payroll Certifications (EPC) for all staff funded by applicable grants (SIG 1003(g), PSSG, and/or CSG):**  
EPCs must show whether the employee is full or part-time, the fund source and must include 100% of employee activity, not just the grant-funded portion of the salary. A sample EPC is located here:  
<http://www.p12.nysed.gov/accountability/consolidatedappupdate/employeecertifications.html>

2. **Payroll records for all applicable grant-funded positions:** The reviewer will request reports for two payroll periods (Fall & Spring). Grant-funded position payroll records and approved grant budget documents will be cross checked.
3. **Grant-funded purchase orders:** The reviewer will compare purchase orders with approved FS-10 budgets and amendments for all applicable grants.
4. **Implementation of LEA Procurement and Inventory Tracking procedures:** The reviewer will select and track several items purchased with grant funds.
5. **Invoices from third-party providers for services to the grant-funded school:** The grant-funded school will present documentation such as contracts and invoices that demonstrate the services provided to the school, such as professional development, transportation, and parental involvement costs.
6. **Single Audits:** Does the district receive \$750, 000 in federal funds? Did the district/school have a single audit; if so, the district will either present the single audit report or provide the link to where it may be found on the Federal Audit Clearinghouse.

Formal policies/procedures for tracking adjustments made to sub-awards:

All grant award letters state the following: *“All grants, regardless of type or dollar amount, are subject to further review, monitoring, and audit to ensure compliance. NYSED has the right to recoup funds if the approved activities are not performed and/or the funds are expended inappropriately.”* (See sample SIG award letter attached.)

OISR liaisons keep copies of amendments made to all grant awards, and keep records of the formal communications of requests for amendments and the justification for those amendments. In addition, the OISR has a fiscal manager on staff who keeps track of adjustments made to awards via the CAFÉ fiscal system, and the OISR works closely with both the Grants Management and the Grants Finance Office to track all documentation related to grant plans, budgets, and amendments.